

RHL International

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MARKET EXPRESS

房地產市場快訊

越南
VIETNAM

耶穌聖心堂
TAN DINH CHURCH



HONG KONG PROPERTY

香港物業市場透視

CHINA PROPERTY

中國物業市場透視



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GROUP INTRODUCTION

RHL International is one of the pioneering professional valuation and real estate consultants in Asia. Established since 1972, our group offers high quality professional services on Corporate Valuation & Advisory and Real Estate Solution & Surveying Practice. As an active participant in exchanging ideas and experience with regulators, government institutions and corporations, our group maintains vigilant to the dynamic changes in the market. Leveraging our extensive track record, technical resources and market intelligence, we are dedicated to provide tailored services to meet with the unique needs of our clients.

PROFESSIONAL TEAM

Our team comprises of professionals who have finance and/or real estate related academic background and internationally recognized qualifications, such as CPA, FRM, registered professional surveyors, and with diverse experience and up-to-date knowledge of the current market environment. We committed to provide our clients with high standard services.

The Group is committed to provide high standard of professional services in compliance with international standard and Government Statutory requirements.

CORPORATE & VALUATION ADVISORY

Our experience in operating businesses in the mainland China and cooperating with overseas parties has become our competitive advantage in offering comprehensive client solution to overseas as well as mainland clients. We cover real estate as well as other industries such as natural resources, green energy and finance area.

- Valuation (including Real Estate, Business Valuation, Plant & Machinery)
- Real Estate Solutions and Surveying Practice
- Industry Market Research & Analysis
- Project Feasibility Study and Advisory
- Financial Analysis
- Investment Advisory
- Due Diligence
- Portfolio, Asset and Facilities Management

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HONG KONG PROPERTY

Post-Pandemic Trend for HK Real Estate

HONG KONG PROPERTY - MARKET WATCH

Post-Pandemic Trend for HK Real Estate

Indeed, it is too early to talk about “post-pandemic”. In Hong Kong, the government has relaxed the limitation on gathering to groups of up to 50 people from June 19 while Ocean Park and Disneyland are now re-opened and students are allowed to go back to school. It is also thankful that Hong Kong, as the Asian financial hub, has managed to result with a total of 1,132 cases and 5 deaths since the outbreak began in late January (information up to mid-June). Unfortunately, cases and death numbers in several major western economic and financial hubs are still increasing. Moreover, Beijing and other major Asian cities also reported the rebound of cases and tighter measures on social distancing are again implemented in June.

As the period for people to “practice” social distancing rules has extended, two obvious situations which shall affect the prospect of real estate have been confirmed: firstly, there is a faster and more solid move to increase on-line shopping and Working From Home (WFH); and secondly, high unemployment rate shall further push up the wealth disparity and conflicts among people as well as nations, which shall pose more damages on the economy.

Office landlords are busy in anticipating the net loss of demand and the change of source of demand in order to determine their willing price/rental level. The departure of WeWork from leasing the Central office space may reflect the weakening demand due to uncertain economic prospect as well as the faster move to WFH by younger generation. Concurrently, the taking up of space by Deliveroo represents the changing game with “new economy” to replace the old and physical spaces at appropriate location is still important for their operations.

"Strategic Investment Advisory & Agency"

- *Provide Market Research and Analysis*
 - *As a Matching Platform to Source Opportunities*
- 

Retail landlords should have the expectation of great challenge from on-line shops well before the pandemic. Great change of physical retail landscape has been found in mainland China for years with their advanced development and usage of digital platforms. More traditional banks in Hong Kong, anticipating the challenge of digital banks, indeed have been moving to upper floors, taking the advantage of cheaper rents to offer spacious and prestige premises to absorb and retain their premium clients.

Nevertheless, basic economic formula has not changed. On-line shops or WFH can be viewed as new supply of “space”. Without the same level of increase in demand, the price (rent) must move down to meet the equilibrium point, or the transactions volume shall stay at low level and vacancy rate shall sharply increase.

At this moment, on the demand side, it is certain that quick and smart money shall go to stock market instead of property market, leaving the owner-occupiers, mainly for residential type of property, still active in the market.

The coronavirus pandemic helps fuel the boom in digital culture, it also acts like a lubricant to further spread and deteriorate the problems on wealth disparity, social as well as political conflicts. Only this month, in the west, there were scalable social protests in the US, and to the east, concerns are raised due to the likely military actions between Democratic People’s Republic of Korea (DPRK) and the Republic of Korea (ROK); and China and India.

“More uncertainty” is the certain trend we can observe as at today.



"Strategic Investment Advisory & Agency"

- *Negotiation between Transaction Parties*
- *Provide Transaction Advisory Services*

HONG KONG SNAPSHOTS

Property Agency Expecting Positive Market Supports

Property price had risen for 8 consecutive weeks with a total 3.46% of increment, a little rate of 0.24% rose since the beginning of 2020, claimed by a real estate agency data. In the first half of the year, as of June 17, the number of second-hand transaction registrations rebounded, with 20,428 registrations which involved HK\$158.3 billion. The Hong Kong economy has been influenced by the outbreak of COVID-19. However, the housing market is currently demanding with low supply, low interest rates, and excessive funding, and no unemployment crisis among the professional industries so far. The head of an agency firm has been optimistic with these supports and expecting the market to be stable or with a rise by 5% at the end of the year.



📌 The head of an agency firm has been optimistic with some market supports.
(Source: RHL Photo Base)

"Professional Practice in Land and Planning Matter"

- *Lease Modification / Land Exchange*
- *Premium Assessment*
- *Temporary Waiver Application*

HONG KONG SNAPSHOTS

Vacancy Rate Hits 12-year High at CBD's Grade A Offices

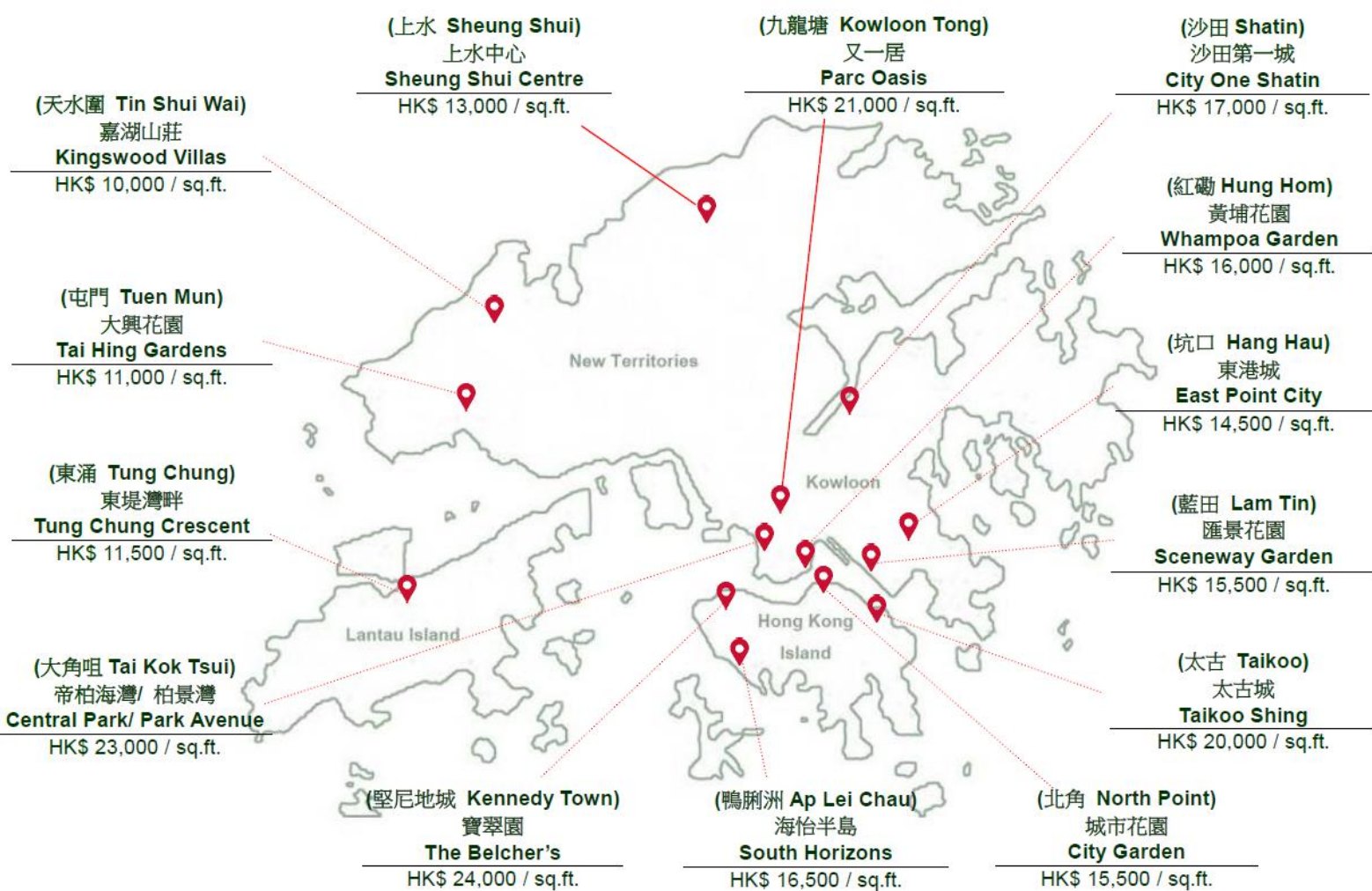
Experiencing the local unstable political atmosphere since last year and the COVID-19 outbreak, the vacancy rate of Grade A offices in the Central district surges up to 5%, the highest record from the global financial crisis in 2008. According to the market information, the overall vacancy rate of Grade A Offices is about 7.4% which has been increased by 0.2% compared with April, while the overall office rental fell for 2.2% compared with April. The vacancy rate of Kowloon East District and Tsim Sha Tsui District's offices has also raised up to 13.7 and 6.5% respectively.



- The vacancy rate of Grade A offices in the Central district has surged to the highest point since the global financial crisis in 2008.
(Source: RHL Photo Base)

HONG KONG

TRANSACTIONS OVERVIEW



* Average saleable unit rate of standard units
以上為各標準單位平均實用呎價

一帶一路 BELT & ROAD



Vietnam locates at Southeast Asia and it is one of the members for ASEAN, WTO, APEC, International Organization of La Francophonie and NEXT Eleven.

Capital : Hanoi

Largest City : Ho Chi Minh City

Official Language : Vietnamese

Official Word: Vietnamese alphabet, (National (language) script)

Currency : đồng (đ) (VND)

Surface Area : 330,967 square kilometers

Population : 96,208,984 (Population Census in 2019)

POLITICAL SYSTEM : SOCIALISM



Gross Domestic Product

World Bank Data in 2018)
245.2 (USD in billion)



Economic Structure

(GDP Composition in 2018)

Services (41.2%) Industry (34.23%)
Agriculture (14.6%) Others (10.0%)



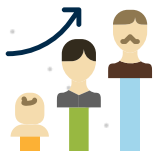
Annual Change of Consumer Price Index (Housing and Building Materials)

(Figure from VinaCapital in 2019): 5.1%



Ho Chi Minh City

Ho Chi Minh City is one of the 5 municipal cities in the country and it is the centre for Vietnam in terms of economy, trade, transportation and culture. The housing price of the city is higher than that of Hanoi. In the city, people prefer to invest in Districts 1, 2, 4 and 7. While District 1 is the economic heart of the city, its property price is also leading across the city. Due to a lack of land in the city and the relatively expensive property prices, many expatriates choose to live in 7 Districts.



Population (2018)

8,993,082



Number of Administrative Areas

19 Urban Districts ((Quận)
5 Rural Districts



Proportion of City's GDP in terms of National GDP in 2018

26.0%



The Use of Land

Total Area of the city

2,061.2 sq. km

The Most Expensive Housing Price

1 Urban District

Housing Price in Prime Area

Approx. HK\$4,000/sq.ft.
(CBRE figure in 2018)

Number of Residential Units Sold in

Q1, 2020

3,757 units

(Figure from Capital)



Special Urban Planning /
Purposes in the City

1

No. of Industrial Zones and Export Processing Zones

Saigon Hi-Tech Park

About 15km away from the centre of Ho Chi Minh City; established in 2000 with 913 hectares area.

15

Quang Trung Software Park

About 15 km away from the centre of Ho Chi Minh City; operated since 2001 with an area of 43 hectares.

2



CHINA PROPERTY

Land-Selling Market Starts to Pick Up in May, □Market Differentiation Accelerates

CHINA PROPERTY - MARKET WATCH

Land-Selling Market Starts to Pick Up in May, Market Differentiation Accelerates

The impact of COVID-19 on the PRC's real estate market has gradually disappeared and the land market continues to recover. In the first five months of 2020, the total turnover in the primary land market of 50 major cities has reached RMB 1.7 trillion, representing an increase of 8.8% year-on-year. Among them, land sales revenue in the top 29 major cities all have exceeded RMB 20 billion, and all have exceeded RMB 10 billion in the top 50 major cities. The top three is Beijing, Hangzhou and Shanghai, all exceeding RMB 100 billion.

On one hand, due to the quantitative easing in PRC's micro market, developers have easier access to financing and leveraging. On the other hand, the sites recently put on market for auctions are expected to pose promising development potential, especially for those located in major cities, attracting developers to actively participate in the games. Both realities led to full recovery of the land market in PRC's first-and-second-tier cities.

However, the bidding failures in third-and-fourth-tier cities' primary land market still cannot be ignored. Data shows that from 1 March to 19 April, there were 79 plots of bidding failure in the key monitoring cities, of which the third-and-fourth-tier cities accounted for 65%. Although the real estate market is picking up in PRC, the increasing number of bidding failure in third-tier and-fourth-tier cities has brought more obvious differentiation to the market.

CHINA PROPERTY - MARKET WATCH

Xiamen: Plans To Build 2,680,000 sq.m. Commercial Housing and 14 Resettlement Housing Projects are under construction in 2020

On March 26, Xiamen issued the “Xiamen Bidding, Auction and Land Use Plan for 2020”. It proposes that in 2020 Xiamen plans to transfer 29 plots of residential land or comprehensive land including residential use, with a total land area of 948,500 square meters and a construction area of about 2.68 million square meters, accounting for 21.34 of total supply land area.

In terms of housing supply, apart from commercial housing, some resettlement housing projects are also under construction. At present, the total investment of nine resettlement housing projects in Jimei District is about RMB 12.67 billion. There are also four resettlement housing projects under construction in the reconstruction of old villages in Xiamen Island.



 (Source: RHL Photo Base)

CHINA SNAPSHOTS

Residential Price Index of CAAD
(April 2020)

City	Index	City	Index
Beijing	115.5	Suzhou	146.7
Shanghai	97.9	Qingdao	188.5
Shenzhen	131.3	Xi'an	181.9
Guangzhou	145.3	Dalian	137.5
Hangzhou	166.3	Zhuhai	100.1
Nanjing	122.9	Shijiazhuang	114.1
Fuzhou	150.0	Zhengzhou	117.6
Xiamen	117.0	Tianjin	87.2
Quanzhou	149.6	Nanchang	142.2
Changsha	142.7	Nan'ning	162.2

Rise m-o-m
 Decline m-o-m
 Stable m-o-m

Y-o-Y Changes: 17.5% Average Price: RMB27,204/sqm

M-o-M Changes: -0.1% Median Price: RMB21,376/sqm

1. Residential Price Index Reference Base Period

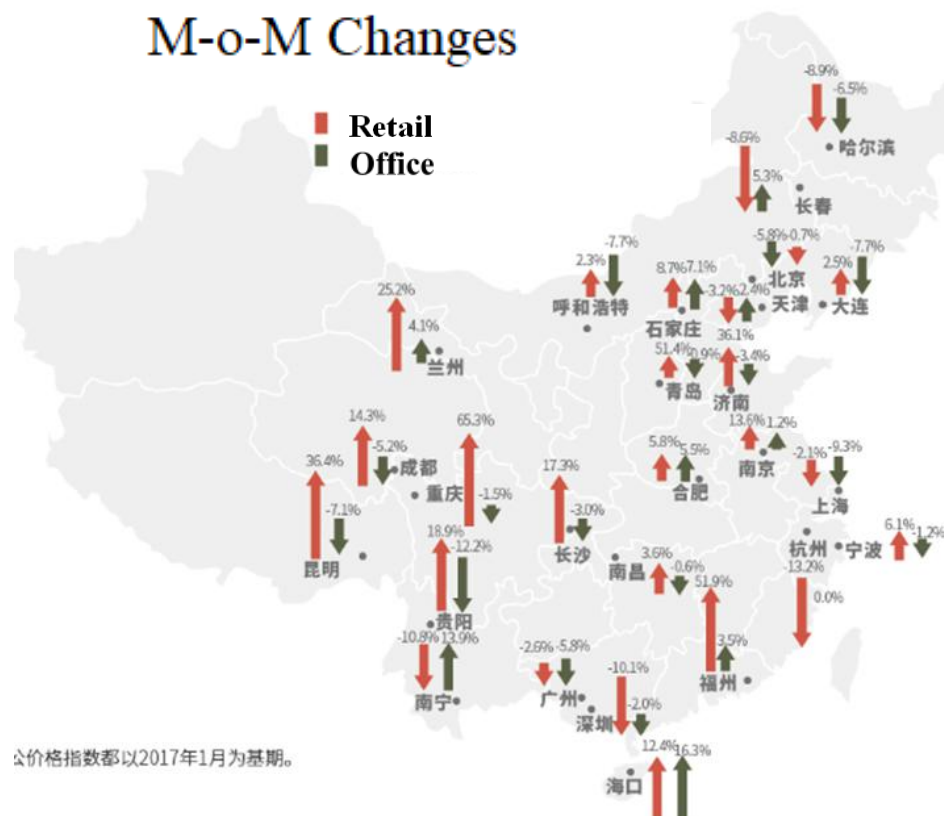
The base period is January 2017, representing the base index of 100.

2. Data Sources

Property database of **China Appraisal Association Database ('CAAD')**.

CHINA SNAPSHOTS

Commercial Property Index of CAAD (March 2020)



Retail: 171

M-o-M Changes: 11.3%

Office: 107

M-o-M Changes: -0.82%

1. Residential Index Reference Base Period

The base period is January 2017, representing the base index of 100.

2. Data Sources

Property database of **China Appraisal Association Database ('CAAD')**.

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Source: Land Registry, CAAD and RHL Research Department

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